

**Lawrence County, Indiana**  
**2007 Pay 2008 Budget Order**

An analysis of the data with the 2007 Pay 2008 Budget Order for Lawrence County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Lawrence County has no cross-county units.

Lawrence has no conservancy districts.

**Changes in Local Tax Levies**

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$7.0 million or 16.72%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the North Lawrence Community School Corp (\$4,785,127), the County unit (\$809,361), and the Mitchell Community School Corporation (\$614,370).

Lawrence County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,737,314	\$4,523,633	\$786,316	21.04%
Lease Rental Payment	158,290	120,945	-37,345	-23.59%
Court House Lease Rental	225,528	122,420	-103,108	-45.72%
Children's Psychiatric Res Treatment	155,488	20,649	-134,839	-86.72%

Lawrence County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$1,372,776	\$1,713,877	\$341,101	24.85%

Total County levy increased by \$809,361 or 9.79%. Existing cash balances used in Welfare F&C for 2007 to supplement levy. Levy increased in 2008 to cover budgeted expenses and services.

Bedford Civil City

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$4,522,692	\$4,323,220	-\$199,472	-4.41%
Fire Pension	26,210	344,921	318,711	1,215.99%
Police Pension	83,166	261,884	178,718	214.89%
Fire Equipment Bond	-0-	98,473	98,473	-%

Total City levy increased \$382,706 or 5.74%.



#### North Lawrence Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$6,144,103	\$6,998,790	\$854,687	13.91%
Debt Service	4,199,453	7,114,051	2,914,598	69.40%
Capital Projects	2,482,247	3,289,376	807,129	-42.47%
Bus Replacement	172,651	221,656	49,005	28.38%

Total School levy increase of \$4,785,127 or 28.98%. Bus replacement was used for pension neutralization in 2007, while Capital Projects was used in 2008. Three new elementary school projects were going onto debt in 2008 causing the huge increase in the debt fund.

#### Mitchell Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$144,326	\$169,388	\$25,062	17.36%
Debt Service	50,231	93,940	43,709	87.02%
Capital Projects	-0-	959,542	959,542	-%

Total School levy increase of \$617,370 or 9.40%. School received a shortfall appeal in the amount of \$140,000 for 2008. CPF fund had no rate in 2007, but set up a levy in 2008.

#### Bedford Public Library

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$-0-	\$257,121	\$257,121	-%

Total Library levy increased by \$296,403 or 32.40%. Debt service increase for renovations to the library building approved in 2006.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

#### **Changes in Real Property Gross Assessed Values**

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	9.16%
Industrial	13.93%
Commercial	17.53%
Residential	4.35%
Exempt	-36.53%
Utility	20.37%



Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	19.44%	20.45%
Industrial	3.56%	3.91%
Commercial	10.67%	12.09%
Residential	58.10%	58.42%
Exempt	8.04%	4.91%
Utility	0.18%	0.21%

As can be seen from the analysis, a shift from exempt property to agricultural, industrial, commercial, residential, and utility property occurred. This shift was approximately 3.13%.

### Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BONO TOWNSHIP	10.25%	18.15%	7.17%	7.64%	9.02%	-2.17%
GUTHRIE TOWNSHIP	10.17%	26.20%	14.55%	17.80%	21.27%	10.38%
INDIAN CREEK TOWNSHIP	8.69%	24.99%	15.00%	18.38%	21.89%	10.88%
MARION TOWNSHIP	-3.55%	3.38%	7.19%	7.67%	8.94%	-1.91%
MITCHELL CITY	2.14%	12.27%	9.91%	10.55%	12.36%	-3.09%
MARSHALL TOWNSHIP	7.88%	24.00%	14.95%	18.30%	21.75%	10.88%
PERRY TOWNSHIP	15.11%	32.29%	14.93%	18.27%	21.73%	10.80%
PLEASANT RUN TOWNSHIP	8.57%	24.82%	14.97%	18.32%	21.82%	10.78%
SHAWSWICK TOWNSHIP	7.91%	23.87%	14.79%	18.07%	21.49%	10.56%
BEDFORD CITY	5.61%	15.92%	9.77%	11.30%	15.22%	0.22%
OOLITIC TOWN	6.19%	19.53%	12.56%	14.99%	18.61%	6.03%
SPICE VALLEY TOWNSHIP-NORTH	4.62%	20.36%	15.05%	18.41%	21.92%	10.82%
SPICE VALLEY TOWNSHIP-SOUTH	7.85%	15.69%	7.27%	7.76%	9.12%	-2.06%
Average	5.29%	16.72%	11.92%	14.02%	16.87%	4.86%



Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies, especially those from the increases in debt and Welfare.

### **Assessment Status**

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	2.7%	1.7%	0.0%	86.0%	7.4%	2.2%
Industrial	3.4%	3.0%	0.0%	83.3%	6.1%	4.2%
Residential	0.9%	9.7%	0.0%	88.4%	0.7%	0.3%
Overall	1.0%	9.7%	0.0%	84.2%	4.7%	0.3%